

ALL Industrial Division Branch Chiefs, ONR

20 August 1958

Deputy Chief, Industrial Division, ONR

SRIS 100-8-58

1. The referenced SRIS was set up to guide State in preparing the U.S. position on implementation of the Khrushchev-Nikolov letter on trade. In your consideration of the terms for discussion with the Division Coordinator bear in mind the assumption that the Soviet decision as to which goods to request and the U.S. decision as to which goods to agree to sell is not influenced by either the non-availability of the goods or by present legislation and other government restrictions.

2. D/S has forwarded some slightly revised "commodity group" percentages: Chemical equipment is "20-25%", Refrigeration and food processing is "15-20%", Synthetic Fiber is "10-15%". While the last four items remain at "5%" each, there is no attempt to maintain a strict percentage breakdown for any one, i.e., a total of 20% for the group.

3. In order to aid you in your contribution a series of questions is presented below. Your answers to these questions for your particular commodities would be valuable. Information on points not mentioned below is, of course solicited.

Questions

1. Do Soviet plans for your commodities reflect a large-scale increase between now and 1962? If so, how much?

2. Does the Soviet Union need imports to meet these plans? What proportion of total planned investments in this field?

3. Why would the Soviets wish to import these items from the U.S.?

4. Do you agree with the assumed percentages or is it possible your capacity might be a significantly larger or smaller share of the total?

5. Would Soviet purchases in your commodity be for only a short term and perhaps reflect a technological need?

6. Have the Soviets expressed a desire for U.S. personnel to aid them "on the site" in your commodity?


7. Do the Soviets need other equipment items from the U.S. not mentioned on the list?

- A. Diesel
- B. Electrical equipment
- C. Automatic equipment
- D. Coal mining machine
- E. Electronic items and computers

8. Is it possible that the Soviets would try to buy at a later date, U.S. commercial ships or U.S. aircraft?

9. What would be the effect on Soviet relations with the satellites in the event of Soviet purchases in the U.S. of goods normally traded between the U.S.S.R. and Eastern Europe?

10. Would purchases in the U.S. by the U.S.S.R. have a direct effect on U.S.S.R. trade with other non-bloc countries?


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